

**EIGHTY-SEVENTH GENERAL ASSEMBLY  
2018 REGULAR SESSION  
DAILY  
SENATE CLIP SHEET**

**February 22, 2018**

**Clip Sheet Summary**

Displays all amendments, fiscal notes, and conference committee reports for previous day.

<b>Bill</b>	<b>Amendment</b>	<b>Action</b>	<b>Sponsor</b>
<a href="#">SF 2148</a> .....	<a href="#">S-5028</a> .....	Filed	BRAD ZAUN
<a href="#">SF 2148</a> .....	<a href="#">S-5030</a> .....	Filed	TONY BISIGNANO
<a href="#">SF 2169</a> .....	<a href="#">S-5027</a> .....	Withdrawn	ROBERT M. HOGG, et al
<a href="#">SF 2169</a> .....	<a href="#">S-5029</a> .....	Lost	ROBERT M. HOGG, et al
<a href="#">SF 2235</a> .....	<a href="#">S-5021</a> .....	Adopted	TOM SHIPLEY
<a href="#">SF 2235</a> .....	<a href="#">S-5022</a> .....	Withdrawn	ROBERT M. HOGG
<a href="#">SF 2235</a> .....	<a href="#">S-5023</a> .....	Withdrawn	ROBERT M. HOGG
<a href="#">SF 2235</a> .....	<a href="#">S-5024</a> .....	Lost	ROBERT M. HOGG
<a href="#">SF 2235</a> .....	<a href="#">S-5026</a> .....	Lost	ROBERT M. HOGG
<a href="#">SF 2235</a> .....	<a href="#">S-5036</a> .....	Lost	ROBERT M. HOGG
<a href="#">SF 2305</a> .....	<a href="#">S-5025</a> .....	Filed	JAKE CHAPMAN
<a href="#">SF 2306</a> .....	<a href="#">S-5031</a> .....	Adopted	ROBY SMITH
<a href="#">SF 2306</a> .....	<a href="#">S-5037</a> .....	Ruled Out of Order	NATE BOULTON
<a href="#">SF 2326</a> .....	<a href="#">S-5032</a> .....	Filed	JEFF DANIELSON
<a href="#">SF 2326</a> .....	<a href="#">S-5033</a> .....	Filed	JEFF DANIELSON
<a href="#">SF 2326</a> .....	<a href="#">S-5034</a> .....	Filed	JEFF DANIELSON
<a href="#">SF 2326</a> .....	<a href="#">S-5035</a> .....	Filed	JEFF DANIELSON

**Fiscal Notes**

[SF 270](#) — [Open Enrollment Equality, School Districts](#) (LSB1460XS)

[SF 2234](#) — [Probate and Conservatorship Court Fees](#) (LSB5194SV)

[SF 2305](#) — [Workers' Compensation Fraud](#) (LSB5360SV)

[SF 2319](#) — [Regulatory Policy Reform](#) (LSB5835SV)

[SF 2348](#) — [Higher Education Expenditures, Tuition for In-Demand Career Fields](#) (LSB5063SV)

[SF 2354](#) — [Unemployment Misconduct](#) (LSB5018SV)

[SF 2359](#) — [Open Enrollment Equality, School Districts](#) (LSB1460SV)

[SF 2366](#) — [Veterans Affairs Commission and Trust Fund Expenditures](#) (LSB5263SV)

[HF 2297](#) — [Boiler Inspections](#) (LSB5645HV.1)

S-5028

1 Amend Senate File 2148 as follows:

2 1. Page 1, by striking lines 13 through 24 and inserting:

3 <Sec. \_\_\_\_\_. REMOVAL OF AUTOMATED OR REMOTE SYSTEMS FOR  
4 TRAFFIC LAW ENFORCEMENT — VALIDITY OF PRIOR NOTICES AND  
5 CITATIONS — CONTRACTS AND AGREEMENTS VOID.

6 1. Prior to July 1, 2018, a local authority using an  
7 automated or remote system for traffic law enforcement shall  
8 discontinue using the system and remove the system equipment.

9 2. Effective July 1, 2018, all local ordinances authorizing  
10 the use of automated or remote systems for traffic law  
11 enforcement are void. However, any citation issued or mailed  
12 pursuant to such an ordinance prior to July 1, 2018, shall  
13 not be invalidated by the enactment of this Act and shall be  
14 processed according to the provisions of law under which the  
15 citation was authorized.

16 3. Effective July 1, 2018, all contracts and agreements  
17 between local authorities and private entities related to the  
18 installation, operation, maintenance, or use of automated or  
19 remote systems for traffic law enforcement are null and void.  
20 However, any obligation required to be performed or any payment  
21 due pursuant to such a contract or agreement prior to July 1,  
22 2018, shall be performed or paid pursuant to the terms of the  
23 contract or agreement, unless otherwise agreed upon by the  
24 parties to the contract or agreement. Any obligation required  
25 to be performed or any payment due pursuant to such a contract  
26 or agreement related to valid citations processed on or after  
27 July 1, 2018, pursuant to subsection 2 shall be performed  
28 or paid pursuant to the terms of the contract or agreement,  
29 unless otherwise agreed upon by the parties to the contract or  
30 agreement.>

31 2. Page 1, line 27, by striking <enforcement and> and  
32 inserting <enforcement,>

33 3. Page 1, line 27, after <citations,> by inserting <and the  
34 validity of contracts and agreements,>

35 4. Title page, line 2, by striking <requiring> and inserting

S-5028 (Continued)

1 <including provisions relating to>

2 5. Title page, line 3, after <systems,> by inserting <the  
3 validity of certain citations, and the validity of contracts  
4 and agreements of local authorities,>

5 6. By renumbering as necessary.

By BRAD ZAUN

S-5028 FILED FEBRUARY 21, 2018

S-5030

1 Amend Senate File 2148 as follows:

2 1. By striking everything after the enacting clause and  
3 inserting:

4 <Section 1. Section 321.1, Code 2018, is amended by adding  
5 the following new subsection:

6 NEW SUBSECTION. 06B. "*Automated traffic law enforcement*  
7 *system*" means a device used for the enforcement of laws  
8 regulating vehicular traffic and equipped with one or more  
9 sensors working in conjunction with one of the following:

10 a. An official traffic-control signal, to produce recorded  
11 images of motor vehicles entering an intersection against a red  
12 signal light.

13 b. A speed measuring device, to produce recorded images of  
14 motor vehicles traveling at a prohibited rate of speed.

15 c. A railroad grade crossing signal light, as described in  
16 section 321.342, to produce recorded images of motor vehicles  
17 violating the signal light.

18 d. Any official traffic-control device, if failure to comply  
19 with the official traffic-control device constitutes a moving  
20 violation under this chapter.

21 Sec. 2. NEW SECTION. 321.492C Automated traffic law  
22 enforcement systems.

23 1. The department shall not place, operate, maintain,  
24 or employ the use of any automated traffic law enforcement  
25 system. The department shall not cause to be placed any  
26 automated traffic law enforcement system except as provided in  
27 this section or in rules adopted by the department under this  
28 section.

29 2. a. A local authority, or another entity on a local  
30 authority's behalf, shall not operate an automated traffic law  
31 enforcement system without approving the use of the system  
32 following an established self-certification process. The  
33 self-certification process shall include a justification report  
34 meeting the requirements of paragraph "b", which shall be  
35 made readily available for the public to review, and a public

1 hearing at which the local authority shall provide evidence  
2 of a demonstrated safety need for the automated traffic law  
3 enforcement system. Notice of the date, time, and place of the  
4 hearing shall be published in the manner described in section  
5 362.3. A public hearing may address several locations at  
6 which a local authority intends to place an automated traffic  
7 law enforcement system. However, a local authority shall  
8 adopt a separate ordinance approving the use of an automated  
9 traffic law enforcement system for each location at which the  
10 local authority operates a fixed or mobile automated traffic  
11 law enforcement system. A local authority may approve the  
12 operation of an automated traffic law enforcement system  
13 only if the system is located in a documented high-crash or  
14 high-risk location at which there is a demonstrated safety  
15 need for the system. The local authority shall demonstrate  
16 the safety need for the system based on the volume of traffic,  
17 the history of motor vehicle accidents, the frequency and type  
18 of traffic violations, the risk to peace officers employing  
19 traditional traffic enforcement methods, any additional  
20 information required in the justification report, and any other  
21 safety criteria deemed appropriate by the local authority.  
22 These requirements shall apply for each location at which a  
23 local authority, or another entity on a local authority's  
24 behalf, operates a fixed or mobile automated traffic law  
25 enforcement system.

26     *b.* A justification report shall provide all necessary  
27 information and documentation to demonstrate whether an area is  
28 a high-crash or high-risk location and shall include but not be  
29 limited to documentation regarding all the following:

30     (1) Existing traffic speeds, posted speed limits,  
31 traffic volumes, and intersection or roadway geometry. Such  
32 documentation shall provide assurance that existing speed  
33 limits and official traffic-control signal timings are  
34 appropriate and shall describe how the limits and timings were  
35 established.

1       (2) The applicable motor vehicle accident history,  
2 including accident severity, and the history of traffic  
3 violations for accidents occurring at the location attributable  
4 to violating the speed limit or an official traffic-control  
5 signal. Such documentation shall compare accident data with  
6 data from other similar locations within the local authority's  
7 jurisdiction, other similar jurisdictions, and larger  
8 metropolitan areas.

9       (3) The identification of critical traffic safety issues  
10 related to the data required by subparagraphs (1) and (2),  
11 including a comprehensive list of solutions that may address  
12 the critical traffic safety issues.

13       (4) Solutions or safety countermeasures that the local  
14 authority has implemented along with those that the local  
15 authority has considered but not implemented. These may  
16 include solutions relating to law enforcement, engineering,  
17 public education campaigns, or other safety countermeasures.

18       (5) Discussions held and actions taken by the local  
19 authority with any partnering entities that have resources  
20 which could aid in the reduction of accidents attributable  
21 to violating the speed limit or an official traffic-control  
22 signal.

23       (6) The reason or reasons the local authority believes an  
24 automated traffic law enforcement system is the best solution  
25 to address the critical traffic safety issues.

26       *c.* A local authority, or another entity on a local  
27 authority's behalf, shall not operate an automated traffic law  
28 enforcement system without posting signage meeting all of the  
29 following requirements:

30       (1) For a fixed automated traffic law enforcement system,  
31 permanent signs advising drivers that the system is in place  
32 shall be posted in clear and present view of passing drivers in  
33 advance of the location where the system is in use.

34       (2) For a mobile automated traffic law enforcement system,  
35 temporary or permanent signs advising drivers that the system

1 is in place shall be posted in clear and present view of  
2 passing drivers in advance of the location where the system is  
3 in use.

4 (3) The signage conforms to the manual on uniform  
5 traffic-control devices as adopted by the department.

6 d. A local authority, or another entity on a local  
7 authority's behalf, shall not issue a citation resulting from  
8 the use of an automated traffic law enforcement system until  
9 an active peace officer of the local authority has reviewed  
10 the citation and any relevant recorded images produced by the  
11 system.

12 e. The amount of the fine or civil penalty imposed by a  
13 citation resulting from the use of an automated traffic law  
14 enforcement system shall not exceed the amount of the fine for  
15 a scheduled violation under section 805.8A for the same or a  
16 similar violation of this chapter.

17 f. An automated traffic law enforcement system working  
18 in conjunction with a speed measuring device or official  
19 traffic-control signal shall comply with the generally accepted  
20 procedures for operating the system. An automated traffic law  
21 enforcement system shall verify its internal calibrations on a  
22 daily basis. If the daily internal calibration is not valid,  
23 the system shall not operate until a successful calibration  
24 is subsequently conducted. In addition to the daily internal  
25 calibration, a monthly calibration shall be conducted by a  
26 person trained in the calibration of the system. A person  
27 trained in the calibration of a mobile automated traffic law  
28 enforcement system shall also conduct a calibration prior to  
29 the use of the mobile system after any change in location.  
30 A local authority, or another entity on a local authority's  
31 behalf, operating an automated traffic law enforcement  
32 system shall maintain a monthly log detailing whether the  
33 local authority or entity successfully performed the monthly  
34 calibrations and whether the system successfully performed the  
35 daily internal calibrations. The log and documentation of



1 the calibrations shall be admissible in any court proceeding  
2 relating to an official traffic-control signal violation  
3 pursuant to section 321.257 or a speed limit violation pursuant  
4 to section 321.285.

5 *g.* A local authority shall maintain or compile records  
6 relating to the number of traffic violations and number  
7 of traffic accidents for all locations at which the local  
8 authority, or another entity on a local authority's behalf,  
9 operates or intends to operate an automated traffic law  
10 enforcement system. Such records shall be maintained or  
11 compiled by the local authority for one year prior to the  
12 installation of the automated traffic law enforcement system  
13 and for each year the automated traffic law enforcement  
14 system is in operation. Such records shall be available for  
15 examination to the same extent allowed in section 22.2. A  
16 local authority with an automated traffic law enforcement  
17 system operating within its jurisdiction shall file an annual  
18 report with the general assembly on or before December 31 of  
19 each year detailing the effectiveness of each automated traffic  
20 law enforcement system operating within its jurisdiction. An  
21 annual report shall include the justification report described  
22 in paragraph "b" and shall also include but not be limited to  
23 information relating to increases or decreases in the number of  
24 speed limit violations, violations of official traffic-control  
25 signals, and traffic accidents.

26 *h.* Prior to a local authority placing an automated traffic  
27 law enforcement system on a primary road, the local authority  
28 shall obtain approval from the department in accordance  
29 with rules adopted by the department. A local authority  
30 shall submit to the department any information requested by  
31 the department during the approval process. If the local  
32 authority's use of the system is approved by the department,  
33 the local authority shall follow the requirements set forth  
34 in rules adopted by the department. The department may  
35 modify its rules relating to automated traffic law enforcement

1 systems to the extent necessary to ensure automated traffic  
2 law enforcement systems are operated in a safe and equitable  
3 manner. This paragraph "h" shall not apply to an automated  
4 traffic law enforcement system approved or allowed to operate  
5 in accordance with rules adopted by the department and in  
6 operation prior to January 1, 2017. A local authority may  
7 continue to operate such a system in the same manner as the  
8 system was operated prior to January 1, 2017. However, after a  
9 local authority discontinues operation of such a system, any  
10 new manner of operation or new system operated by the local  
11 authority shall comply with this paragraph "h". The department  
12 shall have the authority to annually review all automated  
13 traffic law enforcement systems placed on primary roads and  
14 shall have the authority to require removal or modification of  
15 such systems.

16 *i.* A local authority shall designate a process by which  
17 a person may appeal a citation issued through the use of an  
18 automated traffic law enforcement system, which at a minimum  
19 shall provide for all of the following:

20 (1) An appeal to an impartial body created by the local  
21 authority to review citations issued through the use of  
22 automated traffic law enforcement systems.

23 (2) Following a decision from the impartial body that is  
24 adverse to the person, an appeal to the district court, sitting  
25 in small claims, of the county in which the local authority is  
26 located.

27 *j.* (1) A local authority shall authorize a petition process  
28 by which citizens within the local authority may petition for  
29 the removal of a fixed automated traffic law enforcement system  
30 or the disapproval of a location approved for the use of mobile  
31 automated traffic law enforcement systems in accordance with  
32 this section. Petitions under this paragraph "j" shall be  
33 specific to one fixed system or one location approved for the  
34 use of mobile systems.

35 (2) If the local authority is a city, a petition brought

1 under this paragraph "j" is valid if it is signed by a number  
2 of eligible electors of the city equal to or greater than ten  
3 percent of the number of persons who voted in the last regular  
4 city election. The petition shall include the signatures of  
5 the petitioners, the places of residence of the petitioners,  
6 and the date on which the petitioners signed the petition.

7 (3) If the local authority is a county, a petition brought  
8 under this paragraph "j" is valid if it is signed by a number  
9 of eligible electors of the county equal to or greater than  
10 ten percent of the number of votes cast in the county in the  
11 last presidential election. The petition shall include the  
12 signatures of the petitioners, the places of residence of the  
13 petitioners, and the date on which the petitioners signed the  
14 petition.

15 (4) If a petition is valid as provided in this paragraph  
16 "j", the city council or county board of supervisors, as  
17 applicable, shall vote on whether to repeal the ordinance  
18 allowing the operation of the fixed system or approving the  
19 location for the use of mobile systems.

20 (5) If a city council or county board of supervisors has  
21 voted pursuant to subparagraph (4), a new petition for the same  
22 fixed system or the same location approved for use of mobile  
23 systems shall not be valid for three years after the date of  
24 the vote.

25 k. A local authority that operates an automated traffic  
26 law enforcement system in violation of this section shall be  
27 precluded from operating any automated traffic law enforcement  
28 system for a period of two years. A citizen residing within  
29 the jurisdiction of a local authority which violates this  
30 section shall be allowed to file suit to enjoin the local  
31 authority from operating an automated traffic law enforcement  
32 system in accordance with this paragraph "k".

33 3. All moneys collected by a local authority from citations  
34 issued as a result of the use of an automated traffic law  
35 enforcement system, less the amount necessary for the

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1 installation, operation, and maintenance of the automated  
2 traffic law enforcement system, shall be deposited in the  
3 account or accounts maintained by the local authority for  
4 moneys appropriated to the local authority from the secondary  
5 road fund or street construction fund of the cities, or shall  
6 be deposited in any account and used for the purposes of public  
7 safety.>

8     2. Title page, by striking lines 1 through 3 and inserting  
9 <An Act regulating the use of automated traffic law enforcement  
10 systems, and providing penalties.>

By TONY BISIGNANO

[S-5030](#) FILED FEBRUARY 21, 2018

S-5027

1 Amend Senate File 2169 as follows:

2 1. Page 1, line 7, by striking <up to the amount specified  
3 in paragraph `c` or `d`,>

4 2. Page 1, by striking lines 22 through 30 and inserting:

5 <Sec. \_\_\_\_ . STUDY ON DRAM SHOP LIABILITY INSURANCE  
6 CLAIMS. The commissioner of insurance shall conduct a study to  
7 determine whether the insurance premiums paid by Iowa alcoholic  
8 beverage licensees for dram shop liability coverage are  
9 appropriate. In doing so, the commissioner of insurance shall  
10 develop a report that includes the total premiums collected by  
11 dram shop liability carriers in the state and the history of  
12 claims, including whether a claim was settled, a lawsuit was  
13 filed, or a jury verdict was rendered.>

By ROBERT M. HOGG

NATE BOULTON

S-5027 FILED FEBRUARY 21, 2018

WITHDRAWN

S-5029

1 Amend Senate File 2169 as follows:

2 1. Page 1, line 7, by striking <up to the amount specified  
3 in paragraph "c" or "d",>

4 2. Page 1, by striking lines 22 through 30 and inserting:

5 <Sec. \_\_\_\_ . STUDY ON DRAM SHOP LIABILITY INSURANCE  
6 CLAIMS. The commissioner of insurance shall conduct a study to  
7 determine whether the insurance premiums paid by Iowa alcoholic  
8 beverage licensees for dram shop liability coverage are  
9 appropriate. In doing so, the commissioner of insurance shall  
10 develop a report that includes the total premiums collected by  
11 dram shop liability carriers in the state and the history of  
12 claims, including whether a claim was settled, a lawsuit was  
13 filed, or a jury verdict was rendered. The commissioner of  
14 insurance shall provide the report to the members of the Senate  
15 and House Commerce committees no later than December 15, 2018.>

By ROBERT M. HOGG  
NATE BOULTON  
RITA HART  
JIM LYKAM

S-5029 FILED FEBRUARY 21, 2018

LOST

S-5021

1 Amend Senate File 2235 as follows:

2 1. Page 3, by striking lines 2 through 4 and inserting:

3 <g. Any land, building, conveyance, or other temporary or  
4 permanent structure whether publicly or privately owned, that  
5 contains, houses, supports, or is appurtenant to any critical  
6 infrastructure as described in paragraphs "a" through "f" of  
7 this subsection.>

8 2. Page 3, line 5, by striking <3.> and inserting <2.>

9 3. Page 3, line 8, by striking <property>

10 4. Page 3, line 12, after <duties.> by inserting <In  
11 addition, "*critical infrastructure sabotage*" does not include  
12 any condition or activity related to the production of farm  
13 products as defined in section 554.9102, including but not  
14 limited to the discharge of agricultural stormwater; the  
15 construction or use of soil or water quality conservation  
16 practices or structures; the preparation of agricultural land  
17 and the raising, harvesting, drying, or storage of agricultural  
18 crops; the application of fertilizer as defined in section  
19 200.3, pesticides as defined in section 206.2, or manure  
20 as defined in section 459.102; the installation and use of  
21 agricultural drainage tile and systems; the construction,  
22 operation, or management of an animal feeding operation as  
23 defined in section 459.102; and the care, feeding, or watering  
24 of livestock.>

25 5. Title page, line 2, by striking <property>

By TOM SHIPLEY

S-5021 FILED FEBRUARY 21, 2018

ADOPTED

S-5022

1 Amend Senate File 2235 as follows:

2 1. By striking everything after the enacting clause and  
3 inserting:

4 <Section 1. Section 716.3, subsection 2, Code 2018, is  
5 amended to read as follows:

6 2. a. Criminal Except as provided in paragraph "b",  
7 criminal mischief in the first degree is a class "C" felony.

8 b. Criminal mischief in the first degree is a class "B"  
9 felony if the criminal mischief results in more than two  
10 hundred fifty thousand dollars in damage or physical injury to  
11 a person.

By ROBERT M. HOGG

S-5022 FILED FEBRUARY 21, 2018

WITHDRAWN



**S-5023**

1 Amend [Senate File 2235](#) as follows:

2 1. Page 3, line 7, after <public> by inserting <and personal  
3 injury or physical damage>

By ROBERT M. HOGG

**S-5023** FILED FEBRUARY 21, 2018

WITHDRAWN

S-5024

1 Amend Senate File 2235 as follows:

2 1. Page 3, line 12, after <duties.> by inserting <"*Critical*  
3 *infrastructure sabotage*" does not include nonviolent protest  
4 that does not result in physical injury or property damage.>

By ROBERT M. HOGG

S-5024 FILED FEBRUARY 21, 2018

LOST

S-5026

1 Amend [Senate File 2235](#) as follows:

2 1. Page 3, by striking line 15 and inserting:

3 <1. A person commits critical infrastructure sabotage in  
4 the first degree if the person commits critical infrastructure  
5 sabotage which results in a serious injury as defined in  
6 section 702.18 or property damage to critical infrastructure  
7 of more than two hundred fifty thousand dollars. Critical  
8 infrastructure sabotage in the first degree is>

9 2. Page 3, line 18, by striking <eighty-five> and inserting  
10 <ten>

11 3. Page 3, after line 19 by inserting:

12 <2. A person commits critical infrastructure sabotage in  
13 the second degree if the person commits critical infrastructure  
14 sabotage which results in physical injury to a person or  
15 property damage to critical infrastructure of more than ten  
16 thousand dollars but does not exceed two hundred fifty thousand  
17 dollars. Critical infrastructure sabotage in the second degree  
18 is a class "C" felony.

19 3. A person commits critical infrastructure sabotage in  
20 the third degree if the person commits critical infrastructure  
21 sabotage which results in property damage to critical  
22 infrastructure of more than one thousand dollars but does not  
23 exceed ten thousand dollars. Critical infrastructure sabotage  
24 in the third degree is a class "D" felony.

25 4. A person commits critical infrastructure sabotage in the  
26 fourth degree if the person commits critical infrastructure  
27 sabotage which results in property damage to critical  
28 infrastructure of more than five hundred dollars but does not  
29 exceed one thousand dollars. Critical infrastructure sabotage  
30 in the fourth degree is an aggravated misdemeanor.

31 5. A person commits critical infrastructure sabotage in  
32 the fifth degree if the person commits critical infrastructure  
33 sabotage which results in property damage to critical  
34 infrastructure of five hundred dollars or less. Critical  
35 infrastructure sabotage in the fifth degree is a serious

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1 misdemeanor.

2     6. A person commits critical infrastructure sabotage in  
3 the sixth degree if the person commits critical infrastructure  
4 sabotage which does not result in any property damage.  
5 Critical infrastructure sabotage in the sixth degree is a  
6 simple misdemeanor.>

7     4. By renumbering as necessary.

By ROBERT M. HOGG

[S-5026](#) FILED FEBRUARY 21, 2018

LOST

S-5036

1 Amend Senate File 2235 as follows:

2 1. Page 3, line 12, after <duties.> by inserting <"*Critical*  
3 *infrastructure sabotage*" does not include protesting the use of  
4 eminent domain by a person while on the person's property.>

By ROBERT M. HOGG

S-5036 FILED FEBRUARY 21, 2018

LOST

**S-5025**

- 1 Amend [Senate File 2305](#) as follows:
- 2 1. Page 6, by striking lines 27 through 29 and inserting
- 3 <Notwithstanding section>
- 4 2. Page 12, line 7, after <of> by inserting <section>
- 5 3. Title page, line 3, by striking <appropriations and>

**By JAKE CHAPMAN**

**S-5025** FILED FEBRUARY 21, 2018

S-5031

1 Amend Senate File 2306 as follows:

- 2 1. Page 1, line 3, by striking <year> and inserting  
3 <election year, as defined in section 68A.402, subsection 10>  
4 2. Page 1, line 6, by striking <campaigning> and inserting  
5 <whose name will appear on a ballot>

By ROBY SMITH

S-5031 FILED FEBRUARY 21, 2018

ADOPTED

S-5037

1 Amend Senate File 2306 as follows:

2 1. Page 1, before line 16 by inserting:

3 <Sec. \_\_\_\_\_. NEW SECTION. 68A.507 Contribution limits for  
4 candidates.

5 1. For the purposes of this section, "*election campaign*  
6 *cycle*" means the time period between elections for a particular  
7 office. Each primary, general, and special election is a  
8 separate election campaign cycle. Separate contribution limits  
9 for each type of election for a particular office, including  
10 primary, general, and special elections, apply in an election  
11 campaign cycle.

12 2. A person shall not make and a candidate, candidate's  
13 committee, or anyone acting on behalf of any candidate or  
14 candidate's committee shall not accept any contribution which  
15 will cause the total amount of the person's contributions to  
16 a candidate or candidate's committee to exceed the following  
17 amounts for an election campaign cycle:

18 a. From a candidate's committee, two thousand dollars.

19 b. From a political committee that contributes to five or  
20 more candidates, five thousand dollars.

21 c. From a political committee that contributes to fewer than  
22 five candidates, two thousand seven hundred dollars.

23 d. From a national political party, state statutory  
24 political committee, or county statutory political committee,  
25 five thousand dollars.

26 e. From any other person, two thousand seven hundred  
27 dollars.

28 3. A person shall not make and a political committee shall  
29 not accept any contribution which will cause the total amount  
30 of the person's contributions to a political committee to  
31 exceed five thousand dollars for an election campaign cycle.

32 4. A person shall not make and a state statutory political  
33 committee or county statutory political committee shall not  
34 accept any contribution which will cause the total amount of  
35 the person's contributions to a state statutory political



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1 committee or county statutory political committee to exceed the  
2 following amounts for an election campaign cycle:

3     *a.* From a political committee that contributes to five or  
4 more candidates, five thousand dollars.

5     *b.* From a political committee that contributes to fewer than  
6 five candidates, ten thousand dollars.

7     *c.* From any other person other than a candidate committee,  
8 state statutory political committee, county statutory political  
9 committee, or national political party, ten thousand dollars.>

10     2. Title page, by striking lines 1 through 3 and inserting  
11 <An Act relating to the regulation of elections, including  
12 disclosure reports and campaign contributions.>

By NATE BOULTON

[S-5037](#) FILED FEBRUARY 21, 2018

RULED OUT OF ORDER

**S-5032**

1 Amend Senate File 2326 as follows:

2 1. Page 1, before line 1 by inserting:

3 <Section 1. Section 80.9, subsection 2, Code 2018, is  
4 amended to read as follows:

5 2. The state patrol is established in the department. The  
6 patrol shall be under the direction of the commissioner. The  
7 number of supervisory officers shall be in proportion to the  
8 membership of the state patrol. The department shall maintain  
9 a vehicle theft unit in the state patrol to investigate  
10 and assist in the examination and identification of stolen,  
11 altered, or forfeited vehicles. Notwithstanding any other  
12 provision of law to the contrary, the state patrol shall  
13 receive and administer grants provided to this state pursuant  
14 to the motor carrier safety assistance program of the federal  
15 motor carrier safety administration.>

16 2. Title page, line 3, after <to> by inserting <the  
17 administration of the federal motor carrier safety assistance  
18 program and>

19 3. By renumbering as necessary.

By JEFF DANIELSON

**S-5032** FILED FEBRUARY 21, 2018

S-5033

1 Amend Senate File 2326 as follows:

2 1. Page 1, line 5, after <state> by inserting <,>

3 2. Page 1, line 6, by striking <department.> and inserting  
4 <department, against commercial motor vehicles, subject to the  
5 limitations set forth in subsection 1A, and to enforce the laws  
6 of the state against noncommercial motor vehicles as described  
7 in subsection 1B.>

8 3. Page 1, line 10, by striking <all laws of this state> and  
9 inserting <all such laws of ~~this state~~>

10 4. Page 1, line 13, by striking <subsection> and inserting  
11 <subsections>

12 5. Page 1, before line 14 by inserting:

13 <NEW SUBSECTION. 1A. An employee designated as a peace  
14 officer pursuant to this section, when performing a traffic  
15 stop of a commercial motor vehicle for a speeding violation,  
16 shall do one of the following:

17 a. For a speeding violation of ten miles per hour or less  
18 over the legal speed limit, the employee shall not issue a  
19 citation for the violation unless the person was operating the  
20 commercial motor vehicle in an erratic manner.

21 b. For a speeding violation of more than ten miles per  
22 hour but less than sixteen miles per hour over the legal speed  
23 limit, the employee shall issue a citation for the violation,  
24 but may use the employee's discretion to issue a citation for a  
25 violation of ten miles per hour over the legal speed limit.

26 c. For a speeding violation of sixteen miles per hour or  
27 more over the legal speed limit, the employee shall issue a  
28 citation for the violation.

29 NEW SUBSECTION. 1B. An employee designated as a peace  
30 officer pursuant to this section shall not perform a traffic  
31 stop of a noncommercial motor vehicle unless the vehicle poses  
32 an imminent danger to the public or unless the stop is a  
33 result of a request for assistance by a law enforcement agency  
34 or peace officer with authority to stop noncommercial motor  
35 vehicles. For purposes of this subsection, "*imminent danger*

S-5033 (Continued)

1 *to the public* includes but is not limited to a motor vehicle  
2 operating twenty-five miles per hour or more over the legal  
3 speed limit or operating in an erratic manner such as weaving  
4 in and out of traffic at high speeds or swerving across the  
5 traveled portion of the roadway.>

6 6. By renumbering as necessary.

By JEFF DANIELSON

[S-5033](#) FILED FEBRUARY 21, 2018

S-5034

1 Amend Senate File 2326 as follows:

2 1. Page 1, line 5, after <state> by inserting <,>

3 2. Page 1, line 6, by striking <department.> and inserting  
4 <department, against commercial motor vehicles, subject to the  
5 limitations set forth in subsection 1A, and to enforce the laws  
6 of the state against noncommercial motor vehicles as described  
7 in subsection 1B, subject to the limitations set forth in  
8 subsection 1A.>

9 3. Page 1, line 10, by striking <all laws of this state> and  
10 inserting <all such laws of this state>

11 4. Page 1, line 13, by striking <subsection> and inserting  
12 <subsections>

13 5. Page 1, before line 14 by inserting:

14 <NEW SUBSECTION. 1A. An employee designated as a peace  
15 officer pursuant to this section, when performing a traffic  
16 stop of a motor vehicle for a speeding violation, shall do one  
17 of the following:

18 a. For a speeding violation of ten miles per hour or less  
19 over the legal speed limit, the employee shall not issue a  
20 citation for the violation unless the person was operating the  
21 commercial motor vehicle in an erratic manner.

22 b. For a speeding violation of more than ten miles per  
23 hour but less than sixteen miles per hour over the legal speed  
24 limit, the employee shall issue a citation for the violation,  
25 but may use the employee's discretion to issue a citation for a  
26 violation of ten miles per hour over the legal speed limit.

27 c. For a speeding violation of sixteen miles per hour or  
28 more over the legal speed limit, the employee shall issue a  
29 citation for the violation.

30 NEW SUBSECTION. 1B. An employee designated as a peace  
31 officer pursuant to this section shall not perform a traffic  
32 stop of a noncommercial motor vehicle unless the vehicle  
33 poses an imminent danger to the public or unless the stop is  
34 a result of a request for assistance by a law enforcement  
35 agency or peace officer with authority to stop noncommercial

S-5034 (Continued)

1 motor vehicles. For purposes of this subsection, "*imminent*  
2 *danger to the public*" includes but is not limited to a motor  
3 vehicle operating at excessive speed or operating in an erratic  
4 manner such as weaving in and out of traffic at high speeds or  
5 swerving across the traveled portion of the roadway.>

By JEFF DANIELSON

[S-5034](#) FILED FEBRUARY 21, 2018

S-5035

1 Amend Senate File 2326 as follows:

2 1. Page 1, line 5, after <state> by inserting <,>

3 2. Page 1, line 6, by striking <department.> and inserting  
4 <department, against commercial motor vehicles and to enforce  
5 the laws of the state against noncommercial motor vehicles as  
6 described in subsection 1A.>

7 3. Page 1, line 10, by striking <all laws of this state> and  
8 inserting <all such laws of ~~this state~~>

9 4. Page 1, line 13, by striking <subsection> and inserting  
10 <subsections>

11 5. Page 1, before line 14 by inserting:

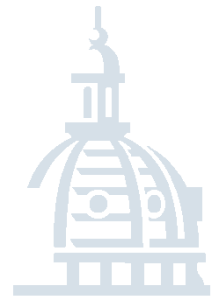
12 <NEW SUBSECTION. 1A. An employee designated as a peace  
13 officer pursuant to this section shall not perform a traffic  
14 stop of a noncommercial motor vehicle unless the vehicle  
15 poses an imminent danger to the public or unless the stop is  
16 a result of a request for assistance by a law enforcement  
17 agency or peace officer with authority to stop noncommercial  
18 motor vehicles. For purposes of this subsection, "*imminent*  
19 *danger to the public*" includes but is not limited to a motor  
20 vehicle operating at excessive speed or operating in an erratic  
21 manner such as weaving in and out of traffic at high speeds or  
22 swerving across the traveled portion of the roadway.>

By JEFF DANIELSON

S-5035 FILED FEBRUARY 21, 2018

# Fiscal Note

*Fiscal Services Division*



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**SF 270** – Open Enrollment Equality, School Districts (LSB1460XS)  
Analyst: Jocelyn Gerrietts (515.238.2833) [jocie.gerrietts@legis.iowa.gov](mailto:jocie.gerrietts@legis.iowa.gov)  
Fiscal Note Version – New

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## **Description**

**Senate File 270** repeals school district voluntary diversity plans set in place in FY 2009 and disallows denial of open enrollment based on those plans. The Bill is effective July 1, 2018.

## **Background**

Voluntary diversity plans were enacted after changes made by the U.S. Supreme Court's ruling [\*Parents Involved in Community Schools v. Seattle School District No. 1\*](#), 551 U.S. 701 (2007). A voluntary diversity plan had to be adopted by the school district within a certain time frame, could only concern a limited number of factors, and could not use race as a factor. Five Iowa school districts enacted voluntary diversity plans, with three districts using socioeconomic status (Davenport Community Schools, Des Moines Public Schools, and Waterloo Community School District) and two districts using English language learner status (West Liberty Community School District and Postville Community School District) as their metrics for denying open enrollment.

## **Assumptions**

- Affected school districts will allow open enrollment out of the district for students who previously had been denied open enrollment under voluntary diversity plans.
- Districts that previously adopted a voluntary diversity plan will have an increased amount of open enrollment out, equal to the number of the previous year's requests denied, due to the diversity plan.
- Affected districts will have similar open enrollment requests to the most recent school year, as reported to the Urban Education Network of Iowa.
- The open enrollment window for FY 2019 closes on March 1, 2018; the first year of effect on school districts will be FY 2020.

## **Fiscal Impact**

There is no expected fiscal impact to the State.

Districts with increased open enrollment out will have a total budget reduction equal to the cost of the previous year's State cost per pupil and teacher leadership supplement, as well as the product of any additional non-English speaking weighting for applicable students. See **Table 1** for more information.



**Table 1**  
**Fiscal Impact to School Districts Due to Increased Open Enrollment**

	<b>Est. Number of New Open Enrollment Out of District</b>	<b>Open Enrollment Funds Per Student</b>	<b>Estimate of Total Funds Leaving District</b>
Davenport	109	\$ 6,987.90	\$ 761,681
Des Moines	182	6,987.90	1,271,798
Postville	N/A*	6,987.90	N/A
Waterloo	64	6,987.90	447,226
West Liberty	N/A*	6,987.90	N/A
Open enrollment funds include the previous year's State cost per pupil and teacher leadership categorical funds.			
*West Liberty and Postville granted all requested open enrollments in FY 2018.			

Since it is unknown which districts students will choose to open enroll into, the fiscal impact to receiving districts cannot be determined.

The estimate also does not include any additional open enrollments due to previous applications and denials. Additional students who were previously denied open enrollment may choose to open enroll, which would increase the fiscal impact on the school district.

### **Minority Impact**

The [U.S. Census](#) permits people to identify their race and ethnicity. The table below displays the census estimates as of July 1, 2017, and July 1, 2016, for county data. The population estimate for Iowa was 3,100,000.

**Table 2**  
**National and Iowa Census Estimates**

	<b>Total</b>				<b>African</b>	<b>American</b>		<b>Hawaiian/</b>		<b>Two or</b>
	<b>Population</b>	<b>Male</b>	<b>Female</b>	<b>Caucasian</b>	<b>American</b>	<b>Alaska Native</b>	<b>Asian</b>	<b>Pacific Islander</b>	<b>Hispanic</b>	<b>More Races</b>
National Census	323.1 million	49.2%	50.8%	72.6%	12.7%	0.8%	5.4%	0.2%	17.8%	3.2%
Iowa Census	3.1 million	49.7%	50.3%	91.4%	3.7%	0.5%	2.5%	0.1%	5.8%	1.8%
Black Hawk Co.	172,474	37.8%	51.3%	85.7%	9.2%	0.3%	2.2%	0.3%	4.3%	2.3%
Polk Co.	474,045	49.7%	50.3%	85.7%	6.8%	0.4%	4.7%	0.1%	8.2%	2.3%
Scott Co.	132,904	49.7%	50.3%	86.2%	7.6%	0.4%	2.8%	0.1%	6.6%	3.0%

In addition, according to the 2016 American Community Survey (ACS) [report](#):

- In Black Hawk County (Waterloo Community Schools), 50.7% of families with children under the age of 18 receive SNAP (Supplemental Nutrition Assistance Program) benefits.
- In Polk County (Des Moines Public Schools), 56.3% of families with children under the age of 18 receive SNAP benefits.
- In Scott County (Davenport Community Schools), 56.4% of families with children under the age of 18 receive SNAP benefits.

SNAP benefits are available to families below 130.0% of the federal poverty level, which is similar to the guidelines for the National School Lunch Program (Free and Reduced Lunch). The correlation between SNAP beneficiaries and minority status cannot be determined at this time.

Data collected from other urban center school districts that do not currently have voluntary diversity plans shows a rise in the net open enrollment out of the district over the past eight years.

- Sioux City Community School District had net 188 students open enroll out in FY 2010, compared to net 379 open enrollment out in FY 2017. In that time, the district also had an overall increase in students of color and an increase in percent of students on Free and Reduced Lunch.
- Council Bluffs Community School District had net 341 students open enroll out in FY 2010, compared to net 512 open enrollment out in FY 2016. In that time, the district also had an overall increase in the percent of students on Free and Reduced Lunch.
- Iowa City Community School District had net 136 students open enroll out in FY 2010, compared to net 332 students in FY 2017. In that time, the district also had an overall increase in percent of students on Free and Reduced Lunch, as well as an increase in enrollment of students of color.

An impact on minority students cannot be determined at this time. Voluntary diversity plans are based on socioeconomic status and English language learner status, not race. The available data on open enrollment denial due to the voluntary diversity plans does not include data about race. There is not sufficient causative evidence data to conclude an impact on minority students.

**Sources**

U.S. Census Bureau statistics

Urban Education Network of Iowa survey of districts

[\*Parents Involved in Community Schools v. Seattle School District No. 1\*](#), 551 U.S. 701 (2007)

LSA analysis and calculations

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/s/ Holly M. Lyons

February 20, 2018

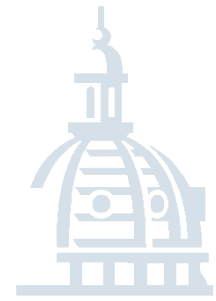
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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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# Fiscal Note

*Fiscal Services Division*



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**SF 2234** – Probate and Conservatorship Court Fees (LSB5194SV)

Analyst: Laura Book (515.205.9275) [laura.book@legis.iowa.gov](mailto:laura.book@legis.iowa.gov)

Fiscal Note Version – New

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## **Description**

[Senate File 2234](#) makes several changes to court costs charged and collected by a clerk of court in connection with probate matters under Iowa Code section [633.31](#). The Bill replaces the current fees under Iowa Code section [633.31](#) and increases or decreases fees for various services related to probate matters.

The Bill sets an administration fee for services performed in estates administered by the clerk of court under Iowa Code chapters [633](#) and [635](#). The clerk must charge and collect an administration fee in the amount of 0.25% of the value of the gross assets of the decedent's estate minus the value of joint tenancy property, transfers during a person's lifetime, and nonprobate assets. This administration fee must not exceed \$2,500.

For other services performed in conservatorship, the Bill sets an administrative fee of 0.25% of the value of the gross assets of the conservatorship listed in the inventory. The fee must not exceed \$2,500. The Bill also provides that an administrative fee must not be charged on any property transferred to an estate from a conservatorship that has been administered in this State and for which an administration fee has been assessed and paid.

The Bill applies to estates of decedents dying on or after July 1, 2018.

## **Background**

Under current law, Iowa Code section [633.31\(2\)\(k\)](#) provides a sliding fee scale for services performed in connection with the settlement of an estate. The probate fees collected by clerks of court are deposited in the State General Fund pursuant to Iowa Code section [602.8108](#).

## **Assumptions**

- From FY 2014 to FY 2017, fee revenue from gross estate values declined by an average of 1.0% per year. It is assumed that the fee revenue will continue to decline by 1.0% each year.
- Small estate filings increased by 0.3% from FY 2015 to FY 2016. It is assumed there will be a 0.3% increase per year from FY 2017 to FY 2022.
- It is assumed that the removal of nonprobate assets from the calculation of the gross estate value and the \$2,500 administrative fee cap will reduce the revenue from those fees by an average of 52.0%.
- The Bill will increase the fee for filing a short form probate and filing a petition for probate of will without administration from \$15 to \$20, increase the fee for preparing a certificate and seal from \$10 to \$20, and increase the fee for issuing a clerk's commission to appraisers from \$2 to \$20. During FY 2017, the courts collected a total of \$60,731 from these types of fees. If the new fee amounts had been applied in FY 2017, the total fees collected would have been \$137,375, an increase of \$76,644. It is assumed that the same increase will occur in FY 2019, but the amount will decrease by 1.0% each subsequent year because it is assumed that filings will decline by 1.0% each year.

**Fiscal Impact**

[Senate File 2234](#) is estimated to result in a negative impact of approximately \$4.5 million per year to the State General Fund, beginning in FY 2019. The removal of nonprobate assets from the calculation of gross estate values and the \$2,500 cap placed on the administrative fee will result in an estimated revenue decrease of 52.0% each year. Although [SF 2234](#) raises several probate fees under Iowa Code section [633.31](#), the increased fees would not offset the modifications to the administrative fee. The following table shows the estimated probate fees to be paid between FY 2019 and FY 2022 under current law and the proposed law, and the estimated impact on the State General Fund.

**SF 2234 — Estimated Probate Fee Revenue**

<b>Fiscal Year</b>	<b>Current Law</b>	<b>Proposed Law</b>	<b>Difference</b>
2019	\$11,831,000	\$7,322,000	(\$4,509,000)
2020	\$11,712,000	\$7,262,000	(\$4,451,000)
2021	\$11,595,000	\$7,203,000	(\$4,393,000)
2022	\$11,479,000	\$7,144,000	(\$4,335,000)

**Source**

Judicial Branch

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/s/ Holly M. Lyons

February 21, 2018

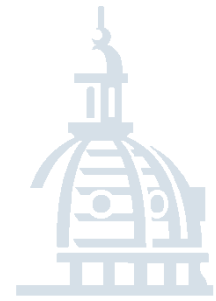
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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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# Fiscal Note

*Fiscal Services Division*



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**SF 2305** – Workers' Compensation Fraud (LSB5360SV)  
Analyst: Ron Robinson (515.281.6256) [ron.robinson@legis.iowa.gov](mailto:ron.robinson@legis.iowa.gov)  
Fiscal Note Version – New

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## **Description**

[Senate File 2305](#) relates to workers' compensation and insurance fraud and other prohibited health service provider practices. The Bill establishes a Workers' Compensation Fraud Unit within the Insurance Fraud Bureau within the Insurance Division of the Department of Commerce. The Bill requires the Unit to employ at least one full-time prosecuting attorney to prosecute all criminal actions which may be brought under this Bill.

The Bill sets forth criminal penalties for engaging in workers' compensation fraud, including fraud committed by employers, workers, insurers, health service providers, employees of insurers, and attorneys. Specifically, the Bill penalizes as a Class D felony the following forms of workers' compensation fraud: benefit fraud, insurance coverage fraud, employer fraud, health service provider fraud, insurance carrier fraud, and attorney fraud. The elements for each crime are enumerated in the Bill. A Class D felony is punishable by confinement for no more than five years and a fine of at least \$750 and not more than \$7,500. The Bill provides that in addition to any other applicable penalties, if a person commits an offense of workers' compensation fraud, a court is required to order the person to pay restitution to persons aggrieved by the violation. The Bill requires 50.0% of the criminal penalty collected to be deposited in the Workers' Compensation Fraud Penalty Fund created in the Bill. Moneys in the Fund are appropriated to the Insurance Division of the Department of Commerce for the benefit of the Workers' Compensation Fraud Unit.

The Bill amends Iowa Code chapter [85](#) to provide that an employer retains the right to choose an employee's care throughout the course of treatment, including the choice of specialists. The employer is not obliged to authorize a referral for care with a specific provider of services.

The Bill also amends Iowa Code chapter [85](#) to provide that medical services provided under Iowa Code chapters [85](#), [85A](#), or [85B](#) must not be billed at a rate higher than the health service provider's standard retail rate for that medical service.

The Bill takes effect upon enactment and applies to acts of fraud or prohibited health service providers' practices committed on or after enactment.

## **Assumptions**

- The penalties going to the Workers' Compensation Fraud Penalty Fund will result in little or no revenue in the first year, a minimal amount of revenue the second year, and an unknown amount of revenue for the Fund in subsequent years. Since the origin of the Insurance Fraud Bureau in 1994, there is no record of seeking recoveries for the costs of investigation and prosecution.
- The Iowa Department of Workforce Development, Workers' Compensation Division, has 10 deputy workers' compensation commissioners hearing cases with an average case load of 567.
- The Workers' Compensation Division will add an additional deputy workers' compensation commissioner to address the increase in the number of medical fee disputes.

- The Workers' Compensation Division will add an additional deputy workers' compensation commissioner to address the increase in the number of alternate medical care petitions being filed.
- The Insurance Fraud Bureau is required to employ at least one full-time prosecuting attorney, and the prosecuting attorney requires the support of a criminal intelligence analyst and special investigators. The Bureau will add the following additional staff:
  - Attorney 3 1.0 full-time equivalent (FTE) position
  - Criminal Intelligence Analyst 1.0 FTE position
  - Special Investigators 6.0 FTE positions
- Each criminal intelligence analyst would work on 25 cases each year.
- Salary costs include benefits and are estimated at entry level with the exception of the Attorney 3 that is estimated using the middle of the salary range.
- The new positions will start April 1, 2018.

### **Correctional Impact**

The correctional impact of [SF 2305](#) is estimated to be minimal. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 8, 2018.

### **Minority Impact**

The minority impact of the Bill is unknown. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 29, 2018, for information related to the minorities in the criminal justice system.

### **Fiscal Impact**

Expanding employers' control over injured workers' treatment will not have a significant impact on the overall cost of workers' compensation claims.

The Workers' Compensation Fraud Penalty Fund will receive little or no revenue in the first two years and an unknown amount of revenue in subsequent years due to the time required to start the Program and collect any penalties.

Implementation of [SF 2305](#) will require the expenditure of an estimated \$338,000 in FY 2018 and \$970,000 in FY 2019 and each subsequent year from the Workers' Compensation Fraud Penalty Fund for expenses related to the employment of 8.0 FTE positions by the Insurance Fraud Bureau, as displayed in **Table 1**.

Implementation of [SF 2305](#) will require the expenditure of an estimated \$67,000 in FY 2018 and \$235,000 in FY 2019 and each subsequent year from the General Fund for the expenses related to the employment of 2.0 FTE positions by the Iowa Department of Workforce Development, Workers' Compensation Division, as displayed below in **Table 2**.

**Table 1**

<b>Estimated Workers' Compensation Fraud Penalty Fund Revenue and Expenditures</b>			
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Fraud Fund			
Revenue			
Penalties	\$ 0	Minimal	Unknown
<b>Total Revenue</b>	<b>\$ 0</b>	<b>Minimal</b>	<b>Unknown</b>
Insurance Division			
Expenditures			
Salaries	\$ 217,500	\$ 870,000	\$ 870,000
Support	57,000	100,000	100,000
Capital Outlay	63,000	0	0
<b>Insurance Div. Total Expenditures</b>	<b>\$ 337,500</b>	<b>\$ 970,000</b>	<b>\$ 970,000</b>
<b>Insurance Div. Total FTE Positions</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>
<b>Net Impact</b>	<b>\$ (337,500)</b>	<b>\$ (970,000)</b>	<b>\$ (970,000)</b>
<b>FTE Positions</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>

**Table 2**

<b>Estimated General Fund Revenue and Expenditures</b>			
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Workers' Comp. Div.			
Expenditures			
Salaries	\$ 52,500	\$ 210,000	\$ 210,000
Support	14,250	25,000	25,000
<b>Workers' Comp. Div. Total Expenditures</b>	<b>\$ 66,750</b>	<b>\$ 235,000</b>	<b>\$ 235,000</b>
<b>Workers' Comp. Div. Total FTE Positions</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

**Sources**

Iowa Department of Workforce Development, Workers' Compensation Division  
Iowa Department of Commerce, Insurance Division  
Iowa Department of Administrative Services  
Iowa Department of Human Rights, Criminal and Juvenile Justice Planning Division  
Iowa Public Employees' Retirement System

/s/ Holly M. Lyons

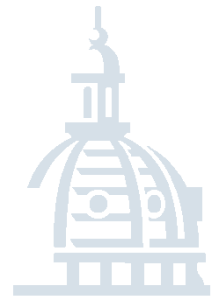
February 21, 2018

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



# Fiscal Note

*Fiscal Services Division*



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**SF 2319** – Regulatory Policy Reform (LSB5835SV)

Analyst: Christin Mechler (515.250.0458) [christin.mechler@legis.iowa.gov](mailto:christin.mechler@legis.iowa.gov)

Fiscal Note Version – New

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## **Description**

[Senate File 2319](#) relates to the total number of rules included in the Iowa Administrative Code (IAC), providing that on or after January 1, 2019, the total number of rules shall not exceed the total number of rules existing as of July 1, 2018. On or after January 1, 2022, the total number of rules included in the IAC shall not exceed 66.66% of the total number of rules that were included in the IAC as of July 1, 2018.

[Senate File 2319](#) also requires the Department of Management (DOM), in consultation with the Administrative Rules Coordinator, the Administrative Code Editor, and The Administrative Rules Review Committee (ARRC), to establish and implement a process across all State agencies to facilitate any rulemaking necessary to ensure ongoing compliance with the limitations on the number of rules in the IAC. The DOM is authorized to direct an agency to carry out such rulemaking, and to ensure that the compliance with the department directive is not solely accomplished by combining existing rules or redesignating rules as subrules or subunits of the IAC. The DOM is also required to submit a report detailing the total number of rules included in the IAC to the Governor and the General Assembly by January 5 annually.

[Senate File 2319](#) becomes effective immediately upon enactment.

## **Background**

The rulemaking process is set out in Iowa Code chapter [17A](#), and applies to all Executive Branch agencies. The IAC contains all administrative rules adopted by State agencies and entities. When legislation is enacted, the IAC often needs to be updated to include administrative rules adopted to effectively implement or administer the new or amended existing law. As a part of the rulemaking process, individual State agencies present their proposed rulemakings to the bicameral and bipartisan Administrative Rules Review Committee (ARRC), which meets on a monthly basis to approve the validity and necessity of any proposed rulemaking. Currently, no single, specific agency is tasked with implementing the rulemaking process across State government, and the ARRC acts as the primary regulatory mechanism in rulemaking administration.

## **Assumptions**

- There are currently over 100 rulemaking entities subject to the rulemaking process and requirements under Iowa Code chapter [17A](#).
- As of January 31, 2018, the IAC contains approximately 900 chapters and 26,000 active rulemakings.<sup>1</sup> In order to comply with the requirements of the Bill, active rulemakings would need to be decreased by 8,667 rulemakings.

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<sup>1</sup> As defined by [SF 2319](#), active rulemakings do not include those designated in the IAC as “reserved” or “rescinded.”

- Given the large scope of the project, it is likely that the DOM will have to hire additional positions to implement the requirements of [SF 2319](#). Additionally, as administrative rulemaking primarily aids in implementing and interpreting law and prescribing policy, procedure, or practice requirements of an Executive Branch agency, it is assumed that individuals hired to assist in implementing the proposed rulemaking process will need to have a sufficient legal background, such as a licensed attorney.
- Due to widespread subject matter of rulemakings across State government, it is also likely that a range of attorney expertise will be required to accommodate any potential implications and effects on existing state and federal law. The job classifications of Attorney I, Attorney II, and Attorney III will likely be sufficient in accommodating the broad spectrum of rulemaking subjects.
- The significant reduction in rulemakings as required by [SF 2319](#) is initially expected to result in an increased amount of filing and clerical work. It is likely that the DOM will need to hire an additional Administrative Assistant to assist with these duties.
- Starting annual salary calculations are based on the [Interactive Class and Pay Plan](#) as established and administered by the Department of Administrative Services. Annual benefit payments are based on the assumed calculation of 30.0% of annual base pay. Starting salary and benefit calculations for Attorney I, II, III, and Administrative Assistant I positions are listed below.

<b>Position</b>	<b>Total Annual Salary</b>
<b>Attorney I</b>	\$ 68,000
<b>Attorney II</b>	\$ 81,000
<b>Attorney III</b>	\$ 109,000
<b>Admin. Assistant</b>	\$ 46,000

- General training and hiring costs related to position advertisement, computers, and other technological investments are assumed to range from \$5,000 to \$10,000, depending on the number of individuals hired.
- It is assumed that rescinding or repealing existing rulemakings tied to federal grant matches or funding could lead to a negative impact on individual State agency budgets. As it is unknown how many rulemakings may be subject to such consequences, it is not possible to estimate a potential fiscal impact.
- Additionally, reducing the amount of rulemakings and related regulations may have a cost-saving effect on State agencies. As it is unclear how many rulemakings may be impacted by the requirements of [SF 2319](#), it is not possible to quantify any cost-savings at this time.

### **Fiscal Impact**

The DOM acknowledges that there will be a cost to implementing the requirements of [SF 2319](#), but is unable to provide a cost estimate.

Based on the assumptions above, the Legislative Services Agency (LSA) estimates that [SF 2319](#) may increase DOM expenditures from approximately \$132,000 to \$301,000 annually. Utilizing the annual starting salary and benefit calculations listed above, these ranges are calculated using three distinct hiring scenarios. Ultimately, the Department will have to make the business decision as to what combination of legal expertise is required to implement the

requirements of [SF 2319](#), but given the information available, the following are reasonable estimates of potential costs the DOM may incur.

Hiring Scenario 1:	
Position	Total
Attorney II	\$ 81,000
Admin. Assistant	\$ 46,000
Training/Hiring Costs	\$5,000
Total	<u><u>\$ 132,000</u></u>

Hiring Scenario 2:	
Position	Total
Attorney I	\$ 68,000
Attorney III	\$ 109,000
Admin. Assistant	\$ 46,000
Training/Hiring Costs	\$10,000
Total	<u><u>\$ 233,000</u></u>

Hiring Scenario 3:	
Position	Total
Attorney I	\$ 68,000
Attorney I	\$ 68,000
Attorney III	\$ 109,000
Admin. Assistant	\$ 46,000
Training/Hiring Costs	\$10,000
Total	<u><u>\$ 301,000</u></u>

### **Sources**

Legislative Services Agency analysis  
Department of Administrative Services  
Department of Management

/s/ Holly M. Lyons

February 21, 2018

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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# Fiscal Note

*Fiscal Services Division*



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**SF 2348** – Higher Education Expenditures, Tuition for In-Demand Career Fields (LSB5063SV)  
Analyst: Robin Madison (515.281.5270) [robin.madison@legis.iowa.gov](mailto:robin.madison@legis.iowa.gov)  
Fiscal Note Version – New

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## **Description**

**Senate File 2348** creates a high-demand occupation tax credit up to the amount of qualifying community college tuition and mandatory fees incurred by a taxpayer. The taxpayer must be a resident of Iowa who completes a course of study at an Iowa community college that qualifies the taxpayer for a high-demand occupation.

Under the provisions of the Bill, a student would sign an agreement with the community college that requires the student to maintain at least a 2.0 grade point average (GPA) on a 4-point scale until the student is issued a credential by the community college for successful completion. The agreement must be for at least two years of study and not more than five years. Upon successful completion of the agreement, the community college would notify the Department of Revenue of the total amount of tuition and mandatory fees paid by the student in earning the credential. The Department of Revenue would issue a tax credit certificate to the taxpayer for the amount certified by the community college.

The taxpayer may apply the credit to Iowa income tax liability for the following five years or until the tax credit is depleted, whichever is earlier. The tax credit is not refundable or transferrable and cannot be applied to a tax year prior to the year in which the tax credit is redeemed.

If the taxpayer enters into active military service or enrolls in an accredited private or public institution in Iowa to pursue further education, the tax credit may be extended for an additional two years or until depleted.

The tax credit applies to tax years beginning on or after January 1, 2019.

## **Assumptions**

The estimate includes the following assumptions:

1. Completion of a credential requires 64 credit hours at an average cost (tuition and mandatory fees) of \$160 per credit hour in 2017. A growth rate, based on the Consumer Price Index as forecasted by Moody's Analytics, is applied to the 2017 cost per credit hour.
2. The first taxpayers to claim the tax credit would enroll as freshmen after January 1, 2019, and complete a credential in May 2021. The earliest date for taxpayers to claim the tax credit would be the 2022 tax filing season (FY 2022), against income earned in 2021.
3. The first cohort to sign agreements for the tax credit would have an enrollment of 6,500 students, and enrollment would remain level in subsequent years.
4. Approximately 83.0% of students would remain in Iowa upon completion of a credential, resulting in 5,400 taxpayers who would be eligible for the tax credit beginning in tax year 2021, when they would earn an average annual wage of \$34,000.

5. Based on average earnings growth for young adults, wages for taxpayers eligible for the tax credit would grow at the following rates for the second to the sixth year after completion of a credential: 12%, 9%, 8%, 6%, and 6%.
6. Assumed tax rates for the six years after completion of a credential are calculated using the Department of Revenue's individual income tax micro model. This results in the following average tax liability for a taxpayer who completed a credential in 2021:

<u>Tax Year</u>	<u>Average Tax Liability</u>
2021	\$ 1,047
2022	\$ 1,162
2023	\$ 1,267
2024	\$ 1,368
2025	\$ 1,450
2026	\$ 1,538
Total	<u>\$ 7,832</u>

7. Taxpayers who are married and file joint returns could use the tax credit to offset the joint tax liability, which could increase the fiscal impact of the tax credit. This potential impact is not included in the estimate because data on marriage rates for eligible taxpayers is not available.
8. The following table shows the estimated total tax credit claims made against the tax liabilities by each cohort for the first six years of the program:

<u>Tax Year</u>	<u>1st Cohort</u>	<u>2nd Cohort</u>	<u>3rd Cohort</u>	<u>4th Cohort</u>	<u>5th Cohort</u>	<u>6th Cohort</u>	<u>7th Cohort</u>
2021	\$ 5,732,917						
2022	\$ 6,774,088	\$ 5,847,349					
2023	\$ 7,831,257	\$ 6,909,303	\$ 5,965,692				
2024	\$ 8,941,058	\$ 7,987,573	\$ 7,049,139	\$ 6,088,495			
2025	\$ 9,989,820	\$ 9,119,527	\$ 8,149,232	\$ 7,194,244	\$ 6,214,900		
2026	\$ 10,860,727	\$ 10,189,222	\$ 9,304,094	\$ 8,316,982	\$ 7,343,606	\$ 6,345,000	
2027		\$ 11,077,514	\$ 10,395,440	\$ 9,495,617	\$ 8,489,654	\$ 7,497,334	\$ 6,484,731

9. The Department of Revenue would be required to review over 5,000 applications for the high-demand occupation tax credit each year. This would require hiring one additional full-time equivalent employee to administer the program at a cost of \$120,000 per year.
10. The Department of Revenue would incur a one-time cost of \$175,000 to build the new tax credit into the Tax Credit Award, Claim & Transfer Administration System (CACTAS). This would allow the community colleges to file online all required documentation for each student and allow for the timely administration of a high volume of applications.

**Fiscal Impact**

It is estimated that [SF 2348](#) would have the following impact to State General Fund income tax revenue:

Fiscal Year	Fiscal Impact (Millions)
2019	\$ 0
2020	\$ 0
2021	\$ 0
2022	\$ -5.73
2023	\$ -12.68
2024	\$ -20.89
2025	\$ -30.46
2026	\$ -41.36

**Source**

Department of Revenue

/s/ Holly M. Lyons

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February 20, 2018

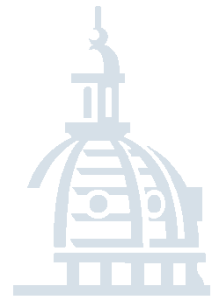
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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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# Fiscal Note

*Fiscal Services Division*



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**SF 2354** – Unemployment Misconduct (LSB5018SV)  
Analyst: Ron Robinson (515.281.6256) [ron.robinson@legis.iowa.gov](mailto:ron.robinson@legis.iowa.gov)  
Fiscal Note Version – New

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## **Description**

[Senate File 2354](#) specifies employment misconduct related to a claim for unemployment is deemed to have occurred in circumstances specified in the Bill. The Iowa Department of Workforce Development (IWD) is responsible for making a determination as to whether an individual is disqualified for unemployment benefits due to being discharged for misconduct. The Bill prohibits the IWD from considering whether, to what extent, or in what manner the employer imposed disciplinary action upon an individual for any past misconduct by the individual.

## **Background**

Under current law, an individual is disqualified from unemployment benefit eligibility if the IWD finds that the individual has been discharged for misconduct in connection with the individual's employment. "Misconduct" is currently defined by the IWD by [rule](#).

## **Assumptions**

- The Bill will require further questions, development of the record, and additional witnesses, as well as documentary evidence related to work rules, written or verbal orders, or instructions alleged to have been violated. This will result in the IWD adding the following staff:
  - Fact Finders 2.0 FTE positions
  - Administrative Law Judge 1.0 FTE position
- The IWD will need to do an emergency rule change and develop, draft, and have rules adopted. The IWD will also train all staff on those new rules, modify the employer handbook, and develop training materials, resulting in the IWD adding staff for one year equal to 1.0 FTE position, divided between agency attorneys, management, and trainers.
- Salary costs include benefits and are estimated at the entry level of the salary range for each position.

## **Fiscal Impact**

[Senate File 2354](#) will result in the IWD expending an estimated \$411,000 for 4.0 FTE positions in FY 2019 and \$311,000 and 3.0 FTE positions in subsequent years, to be paid from the Unemployment Insurance Federal Base Grant.

## **Sources**

Iowa Department of Workforce Development  
Iowa Department of Administrative Services  
Iowa Board of Regents

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/s/ Holly M. Lyons

February 21, 2018

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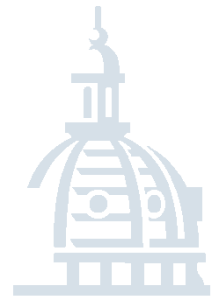
The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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# Fiscal Note

*Fiscal Services Division*



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**SF 2359** – Open Enrollment Equality, School Districts (LSB1460SV)  
Analyst: Jocelyn Gerriets (515.238.2833) [josie.gerriets@legis.iowa.gov](mailto:josie.gerriets@legis.iowa.gov)  
Fiscal Note Version – New

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## **Description**

[Senate File 2359](#) repeals school district voluntary diversity plans set in place in FY 2009 and disallows denial of open enrollment based on those plans. The Bill is effective July 1, 2018.

## **Background**

Voluntary diversity plans were enacted after changes made by the U.S. Supreme Court's ruling [Parents Involved in Community Schools v. Seattle School District No. 1](#), 551 U.S. 701 (2007). A voluntary diversity plan had to be adopted by the school district within a certain time frame, could only concern a limited number of factors, and could not use race as a factor. Five Iowa school districts enacted voluntary diversity plans, with three districts using socioeconomic status (Davenport Community Schools, Des Moines Public Schools, and Waterloo Community School District) and two districts using English language learner status (West Liberty Community School District and Postville Community School District) as their metrics for denying open enrollment.

## **Assumptions**

- Affected school districts will allow open enrollment out of the district for students who previously had been denied open enrollment under voluntary diversity plans.
- Districts that previously adopted a voluntary diversity plan will have an increased amount of open enrollment out, equal to the number of the previous year's requests denied, due to the diversity plan.
- Affected districts will have similar open enrollment requests to the most recent school year, as reported to the Urban Education Network of Iowa.
- The open enrollment window for FY 2019 closes on March 1, 2018; the first year of effect on school districts will be FY 2020.

## **Fiscal Impact**

There is no expected fiscal impact to the State.

Districts with increased open enrollment out will have a total budget reduction equal to the cost of the previous year's State cost per pupil and teacher leadership supplement, as well as the product of any additional non-English speaking weighting for applicable students. See **Table 1** for more information.

**Table 1**  
**Fiscal Impact to School Districts Due to Increased Open Enrollment**

	<b>Est. Number of New Open Enrollment Out of District</b>	<b>Open Enrollment Funds Per Student</b>	<b>Estimate of Total Funds Leaving District</b>
Davenport	109	\$ 6,987.90	\$ 761,681
Des Moines	182	6,987.90	1,271,798
Postville	N/A*	6,987.90	N/A
Waterloo	64	6,987.90	447,226
West Liberty	N/A*	6,987.90	N/A
Open enrollment funds include the previous year's State cost per pupil and teacher leadership categorical funds.			
*West Liberty and Postville granted all requested open enrollments in FY 2018.			

Since it is unknown which districts students will choose to open enroll into, the fiscal impact to receiving districts cannot be determined.

The estimate also does not include any additional open enrollments due to previous applications and denials. Additional students who were previously denied open enrollment may choose to open enroll, which would increase the fiscal impact on the school district.

#### **Minority Impact**

The [U.S. Census](#) permits people to identify their race and ethnicity. The table below displays the census estimates as of July 1, 2017, and July 1, 2016, for county data. The population estimate for Iowa was 3,100,000.

**Table 2**  
**National and Iowa Census Estimates**

	<b>Total</b>				<b>African</b>	<b>American</b>		<b>Hawaiian/</b>		
	<b>Population</b>	<b>Male</b>	<b>Female</b>	<b>Caucasian</b>	<b>American</b>	<b>Alaska Native</b>	<b>Asian</b>	<b>Pacific Islander</b>	<b>Hispanic</b>	<b>Two or</b>
										<b>More Races</b>
National Census	323.1 million	49.2%	50.8%	72.6%	12.7%	0.8%	5.4%	0.2%	17.8%	3.2%
Iowa Census	3.1 million	49.7%	50.3%	91.4%	3.7%	0.5%	2.5%	0.1%	5.8%	1.8%
Black Hawk Co.	172,474	37.8%	51.3%	85.7%	9.2%	0.3%	2.2%	0.3%	4.3%	2.3%
Polk Co.	474,045	49.7%	50.3%	85.7%	6.8%	0.4%	4.7%	0.1%	8.2%	2.3%
Scott Co.	132,904	49.7%	50.3%	86.2%	7.6%	0.4%	2.8%	0.1%	6.6%	3.0%

In addition, according to the 2016 American Community Survey (ACS) [report](#):

- In Black Hawk County (Waterloo Community Schools), 50.7% of families with children under the age of 18 receive SNAP (Supplemental Nutrition Assistance Program) benefits.
- In Polk County (Des Moines Public Schools), 56.3% of families with children under the age of 18 receive SNAP benefits.
- In Scott County (Davenport Community Schools), 56.4% of families with children under the age of 18 receive SNAP benefits.

SNAP benefits are available to families below 130.0% of the federal poverty level, which is similar to the guidelines for the National School Lunch Program (Free and Reduced Lunch). The correlation between SNAP beneficiaries and minority status cannot be determined at this time.

Data collected from other urban center school districts that do not currently have voluntary diversity plans shows a rise in the net open enrollment out of the district over the past eight years.

- Sioux City Community School District had net 188 students open enroll out in FY 2010, compared to net 379 open enrollment out in FY 2017. In that time, the district also had an overall increase in students of color and an increase in percent of students on Free and Reduced Lunch.
- Council Bluffs Community School District had net 341 students open enroll out in FY 2010, compared to net 512 open enrollment out in FY 2016. In that time, the district also had an overall increase in the percent of students on Free and Reduced Lunch.
- Iowa City Community School District had net 136 students open enroll out in FY 2010, compared to net 332 students in FY 2017. In that time, the district also had an overall increase in percent of students on Free and Reduced Lunch, as well as an increase in enrollment of students of color.

An impact on minority students cannot be determined at this time. Voluntary diversity plans are based on socioeconomic status and English language learner status, not race. The available data on open enrollment denial due to the voluntary diversity plans does not include data about race. There is not sufficient causative evidence data to conclude an impact on minority students.

**Sources**

U.S. Census Bureau statistics

Urban Education Network of Iowa survey of districts

[\*Parents Involved in Community Schools v. Seattle School District No. 1\*](#), 551 U.S. 701 (2007)

LSA analysis and calculations

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/s/ Holly M. Lyons

February 21, 2018

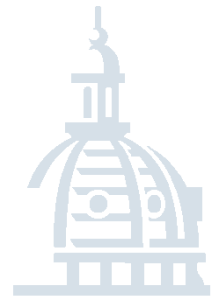
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# Fiscal Note

*Fiscal Services Division*



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**SF 2366** – Veterans Affairs Commission and Trust Fund Expenditures (LSB5263HV)  
Analyst: Kent Ohms (515.971.7053) [kenneth.ohms@legis.iowa.gov](mailto:kenneth.ohms@legis.iowa.gov)  
Fiscal Note Version – New

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## **Description**

**Senate File 2366** makes the following changes in the Department of Veterans Affairs:

- Increases the membership on the Commission of Veterans Affairs by two members.
- Permits expenditures from the Iowa Veterans Trust Fund for cemetery grant development services provided by the Department of Administrative Services to not be repaid.
- Increases the spendable amount of revenue from the Iowa Lottery Authority transfer to \$500,000.
- Adds two new assistance categories from the Veterans Trust Fund benefits related to homelessness and rental housing assistance incidental costs.

## **Background**

The **Veterans Trust Fund** was created in 2003 to assist veterans who meet certain income and asset guidelines. The Fund has received revenue from a variety of sources over the years and the goal outlined in Iowa Code section **35A.13**(6) is to have a principal balance of \$50.0 million. Currently, the Iowa Lottery Authority transfers \$2.5 million of gaming profits annually to the Fund, of which \$300,000 is made available to be spent on benefits for veterans or their families. Interest earned on the Fund is also available for awards.

## **Assumptions**

- The Iowa Lottery will have sufficient profits to transfer \$2.5 million each year.
- The current balance in the Veterans Trust Fund is \$28.6 million.
- The Veterans Trust Fund balance currently grows at \$2.2 million annually.
- Some Commission of Veterans Affairs members decline reimbursement for expenses.

## **Fiscal Impact**

No impact to the General Fund.

### *Veterans Trust Fund*

Increasing the spendable portion of the Lottery transfer by \$200,000 will permit more assistance awards to be granted from the Veterans Trust Fund. Under current law, the Fund is estimated to reach \$50.0 million by FY 2028. **Senate File 2366** is estimated to make that goal achieved by FY 2029, one year later. During that time frame, an additional \$2.2 million is estimated to potentially be available to be awarded.

Increased award categories will have minimal fiscal impact and be limited to available funding.

Services from the Department of Administrative Services are estimated to be minimal.

### *Veterans License Plate Fee Fund*

Additional costs for new Commission members are estimated to be minimal.

## **Sources**

Department of Veterans Affairs  
Iowa Lottery Authority

/s/ Holly M. Lyons

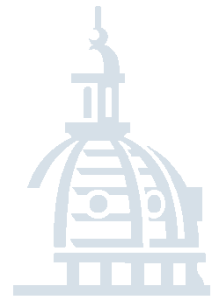
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February 20, 2018

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[HF 2297](#) – Boiler Inspections (LSB5645HV.1)

Analyst: Ron Robinson (515.281.6256) [ron.robinson@legis.iowa.gov](mailto:ron.robinson@legis.iowa.gov)

Fiscal Note Version – As amended and passed by the House

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## **Description**

[House File 2297](#), as amended and passed by the House, relates to boiler and unfired steam pressure vessel inspections and specifies the following:

- Steel hot water boilers and other objects will no longer be required to have an external inspection for years in which an internal inspection takes place.
- Low pressure steam boilers in dry lay-up will be required to have an internal inspection in lieu of an external inspection.
- Inspection exemptions for water heaters used for potable water are expanded to include larger capacity heaters and heaters with higher burner input.

## **Assumptions**

- The annual certification fee is \$40, and approximately 7,600 certifications issued by the Division of Labor under the Iowa Department of Workforce Development (IWD) are impacted by the changes to the burner input.
- An inspection fee is \$55, and the IWD performs approximately 1,400 inspections annually on the lower burner input heaters, with insurance company employees performing the remaining inspections.
- Information is not available about the number of heaters impacted by the changes to the inspection exemptions based on the size of the heater.
- The reduction in inspections performed by the IWD will reduce the need for salary and travel costs of 1.0 FTE position.

**Fiscal Impact**

[House File 2297](#) will eliminate an estimated 7,600 certifications and 1,400 inspections, thereby reducing the net revenue to the Boiler and Pressure Vessel Safety Revolving Fund by an estimated \$274,000 annually beginning with FY 2019.

<b>Estimated Boiler and Pressure Vessel Safety Revolving Fund</b>			
<b>Revenue and Expenditures</b>			
	<u>Est. FY 2018</u>	<u>FY 2019</u>	<u>Est. Annual Impact</u>
Revenue			
Boiler Fund (Fees)	\$ 1,347,000	\$ 966,000	\$ (381,000)
Total Revenue	<u>\$ 1,347,000</u>	<u>\$ 966,000</u>	<u>\$ (381,000)</u>
Expenditures			
Salaries	\$ 666,000	\$ 566,000	\$ (100,000)
Support	65,000	65,000	-
Travel	124,000	117,000	(7,000)
Total Expenditures	<u>\$ 855,000</u>	<u>\$ 748,000</u>	<u>\$ (107,000)</u>
<b>Net Impact</b>	<u><b>\$ 492,000</b></u>	<u><b>\$ 218,000</b></u>	<u><b>\$ (274,000)</b></u>
<b>FTEs</b>	8.00	7.00	-1.00

**Source**

Iowa Department of Workforce Development

/s/ Holly M. Lyons

February 20, 2018

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The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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